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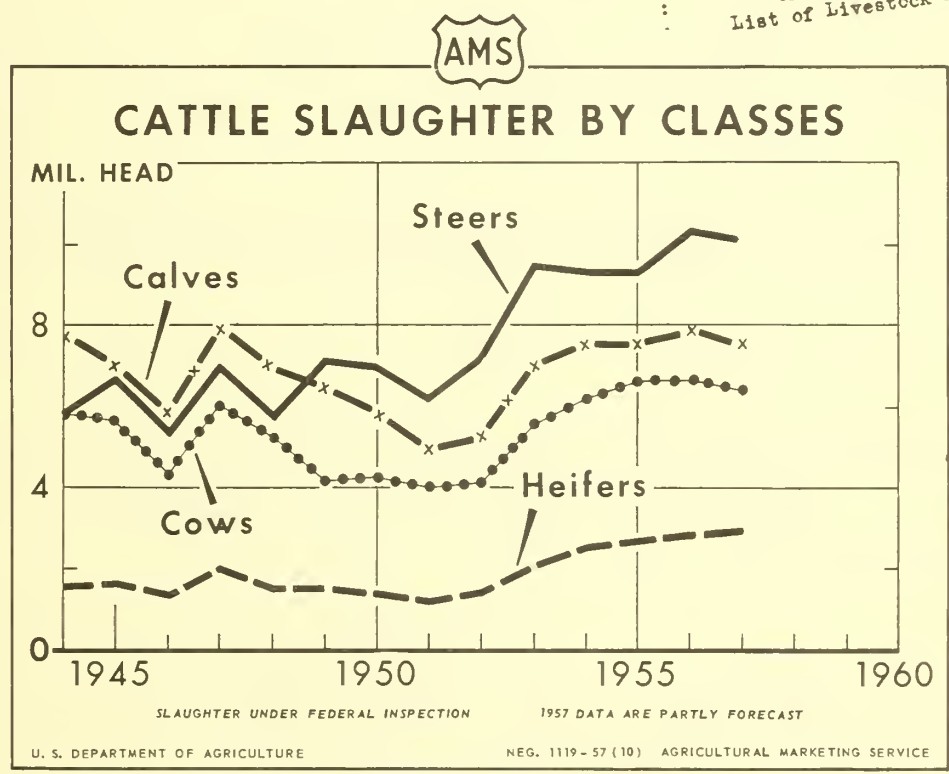
1958 OUTLOOK ISSUE

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# The LIVESTOCK and MEAT SITUATION

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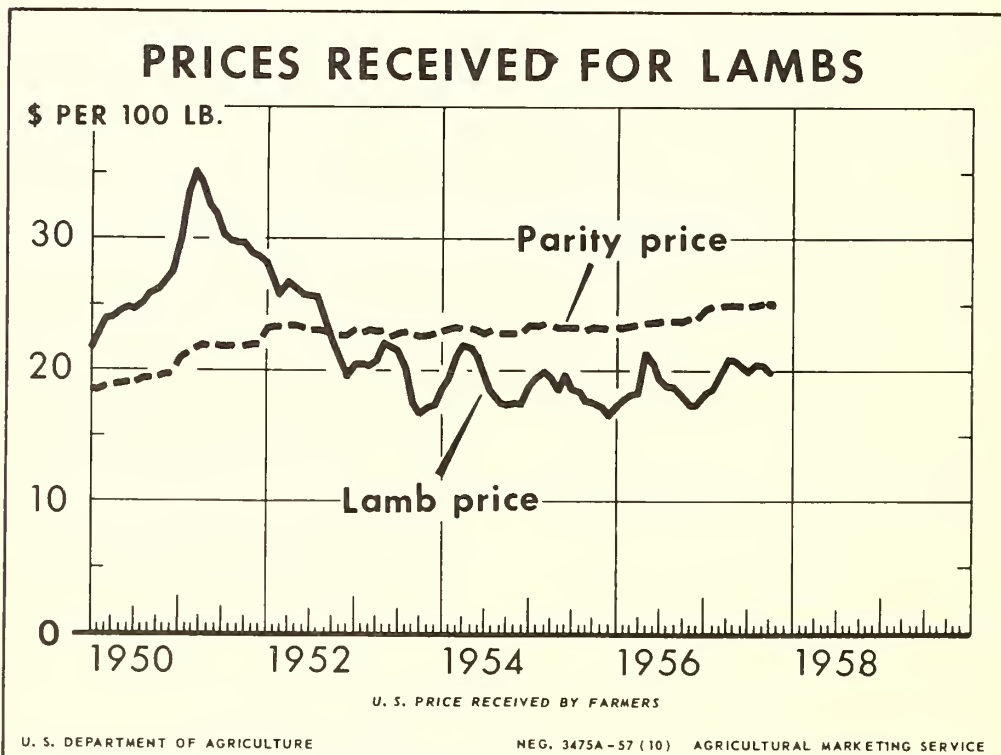
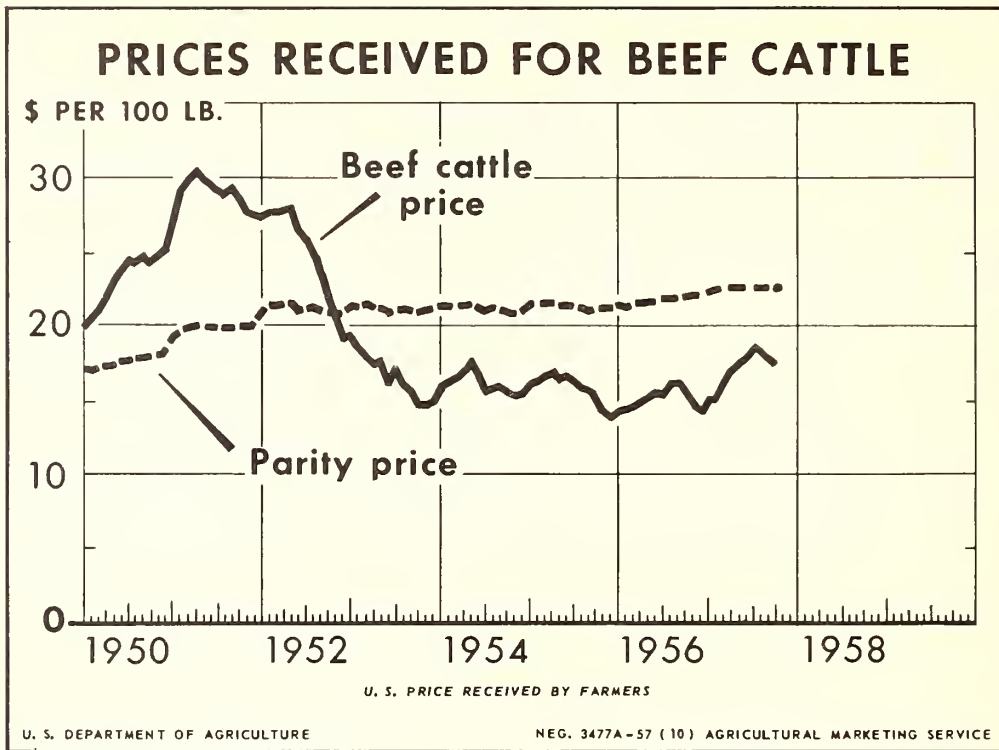


Slaughter of heifers increased in 1957 and that of cows decreased only a little. This is evidence that the decline in cattle numbers may not be brought quickly to a halt.

Steer slaughter slipped off a bit and calf slaughter somewhat more. But calf slaughter has not increased

much since the 1940's and, unlike then, is much below steer slaughter. More calves are now fed to maturity. This practice has added a great deal to beef output, and it will help to hold up output during the current downswing in cattle numbers.

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 T H E L I V E S T O C K A N D M E A T S I T U A T I O N  
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Approved by the Outlook and Situation Board, November 1, 1957

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### SUMMARY

Prices for cattle will likely average as high or higher in 1958 than this year. Prices for hogs may be nearly as high in the first half year but will be appreciably lower by the fall. Prices of sheep and lambs may not change much from 1957.

Prices thus will continue generally higher than in 1955 and 1956. Prices of each species have been higher in 1957 than in those years, reflecting reduced production and sustained demand.

Accompanying higher prices in 1957 are record harvests and declining prices of feed. This gives a strong stimulus to expanded livestock production. Hog production already has started upward. The 1957 fall pig crop probably is around 3 percent larger than the 1956 fall crop. Producers in 10 principal States planned in September to step up their December, January, and February farrowings 7 percent. The total 1958 spring pig crop will be up at least this much, and probably a little more -- perhaps 8 to 10 percent. Prices of hogs will likely hold up well through mid-summer of 1958 but will decline more sharply than usual afterward. Prices in the fall will be appreciably lower than in the fall of 1957. The extent of reduction will depend on how much the spring pig crop actually increases. Very large expansion would bring danger of severely depressed prices.

Abundant feed will encourage a high volume of cattle feeding this winter and probably will result in feeding to very heavy weights. As another consequence, it may help to slow down the present downswing in cattle numbers on farms, and to cut it short. But the numbers decline which began during 1956 is continuing in 1957 and probably will last another year or two. Slaughter can be expected to decrease longer than inventories, possibly a couple of years longer. Generally rising prices for cattle can be expected during most of this period, provided consumers' incomes and demand for beef remain high.

Feeder cattle have moved into feedlots later in 1957 than they did in 1956. Although they are heavier and will not require as long feeding, they may not be ready for market by the time most of the old-season supply of long-feds has been moved. An interval of smaller supplies and higher prices of fed cattle thus may elapse before seasonal increases in supply and declines in price begin. The seasonal price low, which has frequently been in February, may be later in 1958.

Despite higher prices paid for feeder cattle this fall, profits in feeding may be at least average. Lower priced feed will reduce costs of feeding while prices for fed cattle will be strengthened by a smaller cattle slaughter expected in 1958. Slaughter will include almost as many steers as in 1957, but fewer cows and heifers due to withholding for herd expansion.

A reduced slaughter of lambs in the summer and fall of 1957 indicates interest in rebuilding sheep herds. The reduction did not occur soon enough to have much effect on sheep numbers January 1, 1958, which will be about the same as those in January 1957. It might result in some build-up later. Prices of sheep and lambs, always sensitive to changes in the general level of livestock prices, may be about as high in 1958 as in 1957, when they equaled the highest prices in about 5 years.

Total meat production in 1958 may be about the same as in 1957. Beef output probably will decrease. The expected increase in pork will be largely confined to the latter part of the year. Consumption of meat per person may be about the same as in 1957 or slightly less. Beef consumption is forecast at 81 pounds compared with the 84 pounds of 1957; pork consumption at 64 pounds compared with 62; and total meat at 158 pounds compared with 159 in 1957. Retail prices of beef are expected to average slightly higher in 1958. Pork prices may be about the same as in 1957 during the first half of 1958, but lower in the second half.



## REVIEW AND OUTLOOK

Livestock Slaughter, Meat  
Output Ease Off in 1957

Total slaughter of livestock and output of meat decreased in 1957 for the first time since 1951. The reduction, though small, was general: the year's output of beef will be down about 1 percent from 1956, of veal  $3\frac{1}{2}$  percent, of lamb and mutton 2 percent, and of pork 5 percent (table 1). Output of all meat, while almost 3 percent less than 1956, remains higher than in any year prior to that year. It is 25 percent above 1951.

Consumption of meat per person, reflecting reduced supply and larger population, has dropped to about 159 pounds in 1957. It was 166 pounds in 1956, which was the most on records that go back to 1899.

Smaller slaughter in 1957 followed reduced production of both hogs and cattle. Pig crops were cut back in 1956 in response to severe 1955 declines in prices for hogs. Cattle numbers also were reduced during 1956, under pressure of several years of drought and low prices.

With supplies smaller and demand as strong or stronger, prices of both meat animals and meat increased in 1957. Prices of hogs to farmers have averaged about \$3.50 per 100 pounds above 1956 and those of beef cattle close to \$2.00 higher. Retail prices of pork are up about 9 cents per pound and of beef 5 to 6 cents.

Rising Price Ratios  
Favor Upturn in Production

Production of meat animals, as of any farm commodity, responds in the long run to the level of prices received in relation to costs. Feed is the major cost for the industry as a whole. Rising prices for meat animals in 1957 coincided with declining prices for feed, brought about by record feed harvests. Livestock-feed price ratios in the fall were generally the highest since 1950-51 (table 2).

The corn crop of 1957 was estimated in October at 3.3 billion bushels, 4 percent less than the 1956 crop. All other major feed crops are larger than in 1956. The oats and barley crops are each up 16 percent.

The October indication for grain sorghums was for a huge outturn of 514 million bushels, two and a half times that of 1956. Combined production of the four feed grains is 7 percent greater than 1956. It is a new high, exceeding even the previous record set in 1948.<sup>1/</sup>

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<sup>1/</sup> New estimates of 1957 production will be released in the Crop Report of November 12.

Table 1.--Production and consumption per person of red meat and poultry, United States, 1950-57 and forecast for 1958

Production <sup>1/</sup>							
Year	Red meats					Poultry meat <sup>2/</sup>	Red and poultry meat
	Beef	Veal	Lamb and mutton	Pork excluding lard	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	9,534	1,230	597	10,714	22,075	3,789	25,864
1951	8,837	1,059	521	11,481	21,898	4,136	26,034
1952	9,650	1,169	648	11,527	22,994	4,238	27,232
1953	12,407	1,546	729	10,006	24,688	4,325	29,013
1954	12,963	1,647	734	9,870	25,214	4,613	29,827
1955	13,569	1,578	758	10,991	26,896	4,400	31,296
1956	14,462	1,632	741	11,221	28,056	5,214	33,270
1957 <sup>3/</sup>	14,300	1,575	725	10,700	27,300	5,410	32,710
1958 <sup>4/</sup>	14,000	1,525	725	11,200	27,450	5,600	33,050
Consumption per person							
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1950	63.4	8.0	4.0	69.2	144.6	24.7	169.3
1951	56.1	6.6	3.4	71.9	138.0	26.1	164.1
1952	62.2	7.2	4.2	72.4	146.0	26.8	172.8
1953	77.6	9.5	4.7	63.5	155.3	26.7	182.0
1954	80.1	10.0	4.6	60.0	154.7	28.1	182.8
1955	82.0	9.4	4.6	66.8	162.8	26.4	189.2
1956	85.0	9.5	4.4	67.5	166.4	29.9	196.3
1957 <sup>3/</sup>	83.8	9.0	4.2	62.0	159.0	31.1	190.1
1958 <sup>4/</sup>	81	8.6	4.2	64	158	31.5	189.5

<sup>1/</sup> Production of red meats is carcass weight equivalent of production from total United States slaughter.

<sup>2/</sup> Chicken, including commercial broilers, and turkey, ready-to-cook (eviscerated) basis.

<sup>3/</sup> Partly forecast.

<sup>4/</sup> Forecast.



Table 2.--Livestock-feed price ratios, October 1957  
compared with October of earlier years

Period	October ratio		
	Hog-corn, basis prices received by farmers	Beef steer-corn, basis Chicago market <u>1/</u>	Lamb-corn, basis prices received by farmers
Average, 1946-55	13.9	18.6	14.6
By years:			
1951	12.3	20.6	18.1
1952	12.1	20.2	14.4
1953	15.9	17.4	12.4
1954	12.7	16.5	12.1
1955	12.7	18.5	15.4
1956	13.0	20.1	15.0
1957	15.9	20.6	18.4

1/ Bushels of No. 3 yellow corn equivalent in value to 100 pounds of beef steers sold out of first hands (all grades).

On top of the big feed grain output, hay production for 1957 was up 12 percent; and it too is a new high.

Byproduct feeds also will be in plentiful supply. Supplies of high-protein feeds available for feeding in 1956-57 increased 5 percent from the previous season. As the increase in the 1957 soybean crop exceeds the decrease in the cottonseed crop, high-protein feed output will probably rise a little further in 1957-58.

#### Feed Grain Support Prices Lower

Price supports by loan or purchase agreements are available on all feed grains. With the exception of corn in the non-commercial area, support rates for 1957 feed grain crops are lower than those for 1956 (table 3).

#### Hog Production on Increase

Among the three meat animals, production of hogs responds fastest to changes in price relationships. This is true because of the capacity of hogs for fast and numerous reproduction. It is true also because hog production is related so closely to feed grain supplies and prices. By contrast, influences on cattle and sheep production are varied and involve range, pasture and harvested forages as well as the feed grains.

Table 3.--National average support prices on feed grains,  
1957 compared with 1956 1/

	:	<u>Corn, per bushel</u>			:		:		:		
Crop of	:	<u>Commercial area</u>		:	Outside commer- cial area	:	Oats,	:	Barley,	:	Grain
	:	To com- pliers	To non- compliers	:		per bushel	:	per bushel	:	sorghums, per cwt.	
	:										
	:	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>		:	<u>Dollars</u>		<u>Dollars</u>		<u>Dollars</u>
1956	:	1.50	1.25	<u>2/</u> 1.24		:	0.65		1.02		1.97
1957	:	1.40	1.10	<u>3/</u> 1.27		:	.61		.95		1.86
	:					:					

1/ Support prices will vary by counties from these national averages.

2/ Support price at 82½ percent of the national average rate to compliers in the commercial area.

3/ Support price at a national average approximating 70 percent of parity, as required when support is made available to non-compliers in the commercial area.

The 1957 spring pig crop was virtually the same size as the 1956 spring crop. An increase began with the 1957 fall crop. Producers in 10 principal States reported in September that they saved 4 percent more June-August pigs from an equal increase in farrowings, and that they planned 4 percent more September-November farrowings. As increases in these States were expected to exceed increases elsewhere, the gain for the total United States fall crop may be around 3 percent (table 4).

Producers in the same 10 States were planning in September for 7 percent more sows to farrow in December-February this winter than last. Those months are the first half of the spring season. Comparatively few sows farrow in December and January; only February farrowings are sizable. Hence this single indication is not reliable as an advance estimate of the total spring crop. In view of the rising prices of hogs during most of 1957, of the clearly favorable hog-corn price ratio (table 2), and of huge feed supplies, the increase in 1958 spring pigs will likely be at least 7 percent and probably more.

On the other hand, the spring crop of 1958 is not expected to increase as much as did the spring crop of 1949 following the big 1948 feed harvest. That gain was 13 percent. Among other reasons, hog producers are currently better informed on the hazards of overproduction. They remember clearly the sharp price declines that occurred several times since the war when production expanded too fast. Worst decline was in 1954-55, when Chicago prices of barrows and gilts dropped \$16.50 or 61 percent in 20 months. The 1958 spring increase in farrowings may possibly be in the range of 8 to 10 percent. Producers' intentions for all spring farrowings will be reported in the Pig Crop Report to be released December 20.

Table 4.--Pig crops and hog slaughter, United States,  
1950 to date, with slaughter forecast for 1958

Year	Pig crop			Total
	Spring	Fall	Total	slaughter
	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>
1950	57,958	39,423	97,381	79,263
1951	61,298	39,288	100,586	85,540
1952	55,135	33,694	88,829	86,572
1953	47,940	29,974	77,914	74,368
1954	52,852	33,978	86,830	71,495
1955	57,690	38,029	95,719	81,058
1956	53,186	36,535	89,721	85,216
1957	53,170	<u>2/</u> 37,500	<u>2/</u> 90,670	<u>3/</u> 80,500
1958	:	:	:	<u>4/</u> 84,300

1/ Including farm.

2/ Estimate based on farmers' intentions in June as modified by reports from 10 States in September.

3/ Partly forecast.

4/ Forecast.

#### Large Marketings, Lower Prices of Hogs in Fall of 1958

Hogs from the spring crop of 1958 will be ready for market beginning in the late summer of that year. Marketings will be up about in line with the increase in number of pigs saved. The sizably larger volume will result in lower prices.

If the pig crop and subsequent marketings should be up 8 to 10 percent, price declines would be substantial but probably not extreme. At such an increase supplies of pork per person in the fall and winter of 1958-59 would be larger than at the same seasons of 1956-57 and 1957-58. But they would be less than in 1955-56. Beef supplies also will be smaller next fall and winter than in 1955-56. The coincidence of big outputs of pork and beef at the same time accentuated the price distress of that year.



Prices of hogs in the fall of 1958 will be appreciably lower than those of the fall of 1957 but it is highly unlikely that they will drop as low as in the fall of 1955. Yet without doubt the danger of severe declines in prices will heighten in proportion to the size of actual increase in spring pigs saved. This makes the farrowing intentions to be reported on December 20 of special significance this year.

Hog Prices to Hold Up  
Well Until Late Summer

Until the late summer of 1958, prices of hogs may hold very close to those of a year before. Marketings until then will not average much above the previous year. They may at times be smaller. They will come from the spring and fall pig crops of 1957. Marketings through about February, which come from the 1957 spring crop, are expected to be a little less than a year earlier. This is likely because the crop was unchanged but more than a half million additional gilts are being withheld from it for breeding. However, a slightly larger part than last year may remain for marketing after December 1. Marketings dropped off very fast after early December last year.

The approximately 3 percent increase in the 1957 fall pig crop will be partly offset by larger withholdings of breeding stock for 1958 fall farrowing. As the consuming population increases almost 2 percent a year, slaughter of hogs and production of pork from February through July will be little if any larger relative to the number of consumers than it was in 1957.

Prices will fluctuate seasonally, as usual. An upturn can be expected from a low in late November or early December. Winter price movements have become less pronounced over the years. Often a dip occurs around March, followed by a seasonal increase from mid-spring to early summer. The seasonal decline next fall will in all probability be greater than usual.

Hog Production May  
Continue Upward in  
1959, and Possibly Longer

It is entirely possible that production of hogs will increase further in 1959. It is also possible that production will continue at a high level for several years.

Based on the price outlook for hogs just described, the hog-corn price ratio is very likely to remain well above average during the first half of 1958. If feed crops should again be large in 1958 and prices of feed as low as this fall, the ratio would probably also stay a little above average in the second half.

Livestock-feed price ratios are both gage and governor of the livestock-feed economy. High ratios indicate that livestock production is running behind feed supplies, and they induce an increase in production. Even a 10 percent expansion in hog production in 1958, coupled with more poultry, more cattle on feed, and more milk produced would be less than would be required to utilize the 1957 volume of feed production. The imbalance between production of feed and of livestock is being alleviated to a degree through adding to storage stocks of feed grains. This is only a temporary expedient. It will be necessary to bring feed and livestock closer to balance in the next few years.

One means to achieving balance is to increase livestock production. Prices of feed could be allowed to drop low enough, lifting livestock-feed price ratios high enough, to bring this about. Eventually prices of livestock and livestock products would drop low too. The extent to which a feed-livestock production balance is to be attained by increasing livestock or by reducing feed crop acreage and harvests could be a major policy issue of coming years.

Price trends will be influenced by other factors too. The future course of business activity, employment and consumer incomes will have much to do with prices to be received for livestock. If incomes climb steadily, the price impact of rather sharply expanding livestock production would be materially softened. Business recession and drop in demand would naturally have serious consequences to livestock prices.

For hogs, the perennial problem is to capture more consumer demand. Demand for pork has lost ground to beef for a number of years. Any progress in strengthening demand would help a great deal to maintain prices of hogs during the period of larger production that appears to be ahead. It would also allow production to increase faster. This in turn would aid greatly in achieving a feed-livestock balance. Hogs are still by far the largest consumer of corn.

In sum, increased production and lower prices for hogs seem to be in prospect at least through 1959. Trends after that will be determined largely by the future production and price of feed. The probability is strong, however, that hog production will stay large for several years.



### Cattle Numbers Still on Decline

The inventory of cattle and calves on farms turned downward on January 1, 1957. It was the first decrease since 1949.

Inventory numbers are being reduced further during 1957. The calf crop was estimated in July as 1 million less than last year. Commercial slaughter of cattle and calves through October was only about 2 percent below last year, and the year's total may be down about the same (table 5). This small cut in slaughter is far from enough to prevent a further decrease in inventories. The number on farms January 1, 1958 may be approximately 2 million less than the 95.2 million in January 1957.

There have been many reports of restocking local areas during 1957 and much has no doubt been accomplished. But no general trend is yet visible. Instead, the composition of cattle slaughter in 1957 gives little sign of an early increase in cattle inventories. Sizable reductions in slaughter of breeding stock, old and young, including heifer calves especially, are usually the advance signs of an upturn in inventories. In 1957 calf slaughter has declined only 3 percent and cow slaughter also 3 percent, while heifer slaughter has increased 5 percent (tables 5 and 6 and cover chart). At these slaughter rates, cattle numbers are not likely to increase soon.

Although cattle inventories may continue downward for another year or two, their total decline may be shorter and smaller than in some previous cycles. Principal reasons for this outlook are that downswings have been getting progressively shorter, and that strong demand for beef and abundant supplies of low-priced feed will stimulate an early new expansion. These were discussed at some length in the August 1957 issue of the Livestock and Meat Situation, and will not be repeated here. A projection of the cycle based on this point of view, also given in that issue, shows inventories dropping from the 96.8 million in January 1956 to 92 million in January 1959. Afterward an increase would begin, slowly at first and faster later.

### Steer-Heifer Slaughter Rises

A downswing in cattle numbers always induces a cyclical short-supply phase in beef output. As cattle begin to be withheld from slaughter for ultimate rebuilding of herds, the current output of beef necessarily diminishes. Beef output has already started to decrease, and it will decrease more. But at its minimum, the output level in this cycle promises to be considerably above the same stage of earlier cycles. It may be the most abundant "shortness" ever seen.

Table 5. - Number of cattle and calves on farms January 1, calf crop, and number slaughtered, United States, 1950 to date

Year	Number of cattle and calves on farms January 1					Number slaughtered		
	All	For milk	Not for milk		Calf			
	cattle				crop	Cattle	Calves	
	and	Total	Cows	Total	Cows			
	calves							
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	head	head	head	head	head	head	head	head
1950	77,963	35,455	23,853	42,508	16,743	34,899	18,614	10,501
1951	82,083	35,398	23,568	46,685	18,526	35,825	17,084	8,902
1952	88,072	35,235	23,060	52,837	20,863	38,273	18,625	9,388
1953	94,241	35,921	23,549	58,320	23,291	41,261	24,465	12,200
1954	95,679	36,161	23,896	59,518	25,050	42,601	25,889	13,270
1955	96,592	35,361	23,462	61,231	25,659	42,566	26,587	12,864
1956	96,804	34,737	23,213	62,067	25,516	42,317	27,754	12,997
1957 1/	95,166	34,458	23,028	60,708	24,936	41,347 2/	27,500 2/	12,600 2/

1/ Preliminary. 2/ Partly forecast.

Table 6. - Number of cattle slaughtered under Federal inspection, by class, with percentages of total, United States, 1948 to date

Year					Percentage of total			
	Steers	Cows	Heifers	Bulls and stags	Steers	Cows	Heifers	Bulls and stags
	1,000	1,000	1,000	1,000	Percent	Percent	Percent	Percent
	head	head	head	head				
1948	5,751	5,279	1,483	481	44.3	40.6	11.4	3.7
1949	7,090	4,178	1,492	462	53.6	31.6	11.3	3.5
1950	6,944	4,267	1,390	503	53.0	32.6	10.6	3.8
1951	6,180	4,008	1,199	492	52.0	33.7	10.1	4.2
1952	7,171	4,090	1,408	496	54.5	31.1	10.7	3.7
1953	9,445	5,591	2,049	545	53.6	31.7	11.6	3.1
1954	9,302	6,236	2,472	466	50.3	33.8	13.4	2.5
1955	9,299	6,656	2,674	427	48.8	34.9	14.0	2.3
1956	10,310	6,624	2,837	414	51.1	32.8	14.1	2.0
1957 1/	10,050	6,350	2,975	420	50.8	32.1	15.0	2.1

1/ Partly forecast.

Compiled from Market News, Livestock Division.

A high level of slaughter of steers and heifers, many of them fed to heavy weight, may prevent sharp decreases in beef output. To date in this cycle steer and heifer slaughter has been exceptionally large. It has been made so by a rather small volume of calf slaughter. Slaughter of calves reached a peak in 1954 and has been less since. Limited calf slaughter and high steer and heifer slaughter have proved to be a distinctive feature of the present cattle cycle. Usually, calf slaughter increases more than other classes during years such as those just past.

Not only did calf slaughter not rise after 1954, but it remained far below the level of steer slaughter. In 1947 and 1948, by contrast, substantially more calves than steers were slaughtered (see cover chart). (During wartime price control, slaughter data showed a larger calf than steer slaughter, but this was largely caused by discrepancies in classification under price ceilings.)

Interest in feeding of cattle accounts for a good deal of the reduction in calves and increase in steers and heifers slaughtered. Calves have not gone to slaughter directly because they have been put into feedlots instead. The number of cattle on feed January 1 has increased 35 percent since 1951. As the turnover in feedlots has been speeded, annual marketings of fed cattle have risen about 50 percent.

But slaughter of steers and heifers off grass has increased even faster. As a result, slaughter of all steers and heifers under Federal inspection, fed and non-fed combined, is up 75 percent from 1951. In 1957 it is a million above any previous year except 1956 (table 7).

Increased steer and heifer slaughter was accomplished without any increase in January inventories of those classes. Neither, however, have those inventories decreased very much lately. They have been essentially stable since 1952, particularly for beef classes.

The inventory of beef calves, on the other hand, has increased steadily and has been maintained well the last two years. Larger beef calf inventories merely reflect the limited rate of calf slaughter. But since beef calf inventories have gone up but steer and heifer inventories have not, it is clear that the increase in steer and heifer slaughter has consisted of yearlings, not of 2-year-olds.

#### Most of Inventory Reduction is in Cows

Most of the decrease in total cattle numbers has been in cows. The estimated number of cows on farms January 1, 1957 showed a reduction of 1,157,000 from its peak two years earlier.



Table 7.--Age composition of the cattle inventory and of federally inspected slaughter, 1950 to date

Year	Number on farms, January 1					Number slaughtered under Federal inspection		
	Steers and heifers			Calves		Cows	Steers and heifers	Calves
	All	Heifers	Steers and	For	For			
	cows	for	heifers	milk	beef			
	for milk	for beef						
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	head	head	head	head	head	head	head	head
1950	40,596	5,394	11,559	6,208	12,516	4,267	8,334	5,850
1951	42,094	5,493	12,151	6,337	14,319	4,008	7,379	4,985
1952	43,923	5,694	14,371	6,481	15,829	4,090	8,579	5,294
1953	46,840	5,893	15,682	6,479	17,440	5,591	11,494	7,013
1954	48,946	5,873	14,594	6,392	17,978	6,236	11,774	7,573
1955	49,121	5,786	14,958	6,113	18,785	6,656	11,973	7,499
1956	48,729	5,480	15,978	6,044	18,979	6,624	13,147	7,843
1957	47,964	5,391	15,285	6,039	18,742	<u>1/6,350</u>	<u>1/13,000</u>	<u>1/7,500</u>

1/ Partly forecast.

While interest in feeding of cattle helped to maintain numbers of calves, steers and heifers in inventories and thereby prevented an earlier and sharper cyclical decrease in total inventories, it did not entirely prevent a downturn. This is true because it induced not so much a further overall expansion in the cattle industry but rather a shift from breeding to feeding. When many cattlemen found it more profitable to feed cattle rather than produce them, and made that shift, cow numbers began to decline.

Moreover, producers' decisions with respect to breeding herds still control the longer cyclical trends in cattle. If the present downtrend in numbers of breeding stock is arrested shortly, a continued interest in feeding of cattle will prevent the total cyclical decline in inventory numbers and beef production from becoming as great as usual. There is reason to think this is probable. But retention of both old and young breeding stock must begin soon for it to be true. Without it, the cycle would be almost as drastic as before.

#### Calf Crop Down; Calf Slaughter to Drop More

While calf slaughter has not increased as much in this cycle as usual and has stayed below its 1954 peak, it has been more than 30 percent of the calf crop. The percentage of the calf crop slaughtered as calves dropped from 31.1 percent in 1954 to 30.2 percent in 1955, then edged up to 30.7 percent in 1956 (table 8). In 1957, calf slaughter has fallen about 400,000 while the calf crop has been reduced 1 million, for about a 30½ percent slaughter.

Table 8.--Number of cows and heifers on farms, calf crop, and calf slaughter, 1950 to date

Year	Number of cows and heifers 2 yrs. and older on farms, Jan. 1	Calf crop		Calf slaughter 1/	
		Number born	Percentage of cows and heifers on farms, Jan. 1	Number	Percent- age of calf crop
	<u>1,000 head</u>	<u>1,000 head</u>	<u>Percent</u>	<u>1,000 head</u>	<u>Percent</u>
1950	40,596	34,899	86.0	10,501	30.1
1951	42,094	35,825	85.1	8,902	24.8
1952	43,923	38,273	87.1	9,388	24.5
1953	46,840	41,261	88.1	12,200	29.6
1954	48,946	42,601	87.0	13,270	31.1
1955	49,121	42,566	86.7	12,864	30.2
1956	48,729	42,317	86.8	12,997	30.7
1957 2/	47,964	41,347	86.2	3/12,600	3/30.5

1/ Total, including farm.

2/ Preliminary.

3/ Partly forecast.

The small cut-back in slaughter of calves in 1957 has probably not been sufficient to maintain January 1958 inventories of steers and heifers at their full January 1957 number. Slaughter of both classes will likely decrease in 1958. The reduction for steers will be small, but for heifers it will be somewhat greater because more heifers will be held back for breeding.

Steer and heifer slaughter will decrease after 1958 also. However, in line with the prospects described above, it probably will not decrease as much as at the same stage of previous cycles.

Reductions in calf slaughter will be sharper. Fewer calves will be produced because the cow herd is smaller, and more will be retained for rebuilding of herds. Annual calf slaughter may decrease a great deal in the next few years.

### Prices May Continue

#### Upward

Prices of cattle increased in 1957. Gains occurred for all classes. However, prices of high grade fed cattle failed to increase in the late summer of 1957 as they did in the same season of 1956. In September and October they were less than a year before, though the difference had virtually disappeared by the end of October.



Cattle prices in late October were up from a year earlier by margins ranging from 30 percent for feeder steer calves and 20-25 percent for cows to almost no change for high grade fed steers. The larger increases for cows and calves are typical of the present stage of the cattle cycle. In addition, feeder calf prices have received a boost from the plentiful supplies and lower prices of feed. Because calves that are fed receive more feed before slaughter than do more mature animals, their prices are more sensitive to feed prices than are prices of older feeder animals.

If they follow the typical pattern, prices of cattle will rise somewhat further in 1958 and will generally increase through the next several years. Because less decrease than usual is expected in cattle slaughter and beef output, the total price advance may not be as great as in some previous cycles. It nevertheless could be substantial.

Total price increases from the 1955-56 low to the future peak will be greatest (in percent) for cows and for feeder calves, as in other cycles. Gains will be least for high grade fed steers. Price changes to date conform to this pattern.

These overall prospects are based on expected cyclical changes in supply of cattle and of beef. Not to be overlooked is the importance of any change in demand. Business conditions, employment and consumer income probably have more influence on prices and incomes from cattle than from other meat animals. The 11-year period between peak cattle inventories in 1945 and 1956 was freer of major interruptions to growth of demand than was any previous similar span. A comparable absence of fluctuation in demand may be too much to expect over another 11 years. On the other hand, all evidence points to a prospective continued growth in our economy, and to a continued uptrend in demand for beef. Fluctuations that occur will often be unforeseen but they will very likely be moderate and brief, not major and prolonged.

Fed Cattle Prices Likely to  
Average Higher in 1958, Despite  
Large Volume of Feeding

Higher average prices for cattle expected in 1958 may be spread over all classes, including fed cattle.

Higher fed cattle prices are probable chiefly because the slaughter supply of all cattle, and total beef output, will be down. The supply of fed cattle in 1958 will at the least be almost as large as in 1957, and may be fully as large. This is especially likely in terms of total volume of feeding during the year and total tonnage of fed beef produced. Feeding began later this fall than last, because feeder stock were held longer on good ranges this year. They came off the range at heavier weight.

Despite the later start, the volume of feeding will be large because so abundant a supply of feed is available and prices are lower. Moreover, plentiful feed and heavier initial weights will result in feeding to heavy weight at time of marketing.

On October 1, there were 11 percent fewer cattle on feed in 13 States than on the same date a year earlier. The reduction was entirely in new placements. The number that had been on feed less than three months was down 20 percent. The number on feed more than three months was up 4 percent. The sizable supply of long-feds ready for slaughter forced some weakening in prices of the upper grades of steers and heifers for a number of weeks.

Until marketings of new-crop fed cattle become large, prices may average considerably higher than during the fall. Because the new supply will require relatively short feeding, a seasonal increase in marketings could later build up rather fast. Prices would decline. The low point, which frequently has been in February, will probably be later in 1958.

Price declines are not likely to be great, and they probably will be followed by a seasonal advance in the second half of 1958. For the year as a whole, the danger of incurring price discounts for overweight may be a more pressing concern than the general level of prices itself.

#### Feeding Profits Improve in Past Season

Profits in feeding of cattle during the 1956-57 season just closed were higher than in the previous year, and were above average. Prices of slaughter steers and heifers advanced from a February low to an August high, then slipped back only a bit in September and October. According to estimates calculated for six Corn Belt Programs, profits in feeding Medium cattle for early sale were small. But all other five programs for which data are given in table 9 showed substantial profits.

Because of the September-October price decline, long feeding of calves did not return as large profits as long feeding of yearlings. Short-feeding of yearling steers for spring sale was about as profitable as other short feeding programs. This is the most nearly standard Corn Belt program. In several recent years, profits in it were less than in most other programs.

Costs in cattle feeding in the new 1957-58 season will be higher than last season. Feed is cheaper but feeder animals more expensive. However, if fed animals sell for a little higher price in 1958 than in 1957, profits will be equal to averages of recent years.

Frequently, in the first year of cyclically rising prices there is much reluctance to bid up prices of feeder cattle and calves -- so much that average profits are realized on the prices actually paid. Usually it is in the second or third year of the price upswing that a boom psychology appears and feeder prices rise so greatly as to eliminate profits in feeding.

Table 9.--Specified costs and net returns in 6 selected Corn Belt cattle feeding programs, 1955-56 and 1956-57 <sup>1/</sup>

Feeding program	1955-56						1956-57					
	Price per 100 pounds			Net return 2/			Price per 100 pounds			Net return 2/		
	: : :			: : :			: : :			: : :		
	Paid for feeder	:Received: :for fed: :cattle	Margin	Per head	: \$100 : feed : fed	Per head	Paid for feeder	:Received: :for fed: :cattle	Margin	Per head	: \$100 : feed : fed	Per head
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
<b>Calves</b>												
Heifer calves, short fed--												
Bought as Good and Choice, Sept.-Oct.	17.12	21.09	3.97	17.27	22.77	16.98	23.60	6.62	40.07	54.35		
Sold as Choice, June-July												
Steer calves, long fed--												
Bought as Good and Choice, Sept.-Nov.	20.41	26.39	5.98	56.17	59.84	19.67	25.09	5.42	53.10	60.84		
Sold as Choice, Aug.-Oct.												
<b>Yearlings</b>												
Medium yearling steers, short fed--												
Bought as Medium, Sept.-Oct.	15.96	17.02	1.06	-12.64	-33.29	14.39	18.59	4.20	7.78	19.48		
Sold as Good-Commercial, Jan.-Feb.												
Good yearling steers, short fed--												
Bought as Good, Sept.-Nov.	18.11	20.77	2.66	-.36	-.47	17.26	23.26	6.00	31.64	42.56		
Sold as Choice, Apr.-June												
Yearling steers, long fed--												
Bought as Good and Choice, Sept.-Nov.	19.10	27.64	8.54	65.90	66.28	18.64	27.24	8.60	69.73	74.52		
Sold as Prime, July-Sept.												
<b>Heavy steers</b>												
Heavy steers, short fed--												
Bought as Good, Sept.-Nov.	17.94	21.52	3.58	4.49	6.03	17.35	23.92	6.57	37.48	51.06		
Sold as Choice and Prime, March-May												

<sup>1/</sup> Feeding programs designed to be fairly representative of average feeding experience in the Corn Belt. Feeders are purchased in Kansas City and sold in Chicago.

<sup>2/</sup> Net return over cost of corn, hay, protein supplement, pasture, transportation and marketing expenses. Does not include labor, overhead, cost of other feeds and death loss, or credit for manure and for hogs following feeders.



Table 10.--Imports of cattle from Canada and Mexico,  
1950-56 and January-August 1957

From Canada							
Year	Dutiable cattle					Breed- ing cattle (free)	Total cattle
	700 pounds and over:		Under 700 pounds:		Total dutiable cattle		
	Cows for	Other	Under	200 to			
	dairy purposes		200 pounds	699 pounds			
	Head	Head	Head	Head	Head	Head	Head
1950	46,591	173,000	38,985	179,709	438,285	22,610	460,895
1951	35,600	117,455	15,609	51,103	219,767	19,120	238,887
1952 1/	4,636	4,244	714	968	10,562	2,222	12,784
1953 2/	21,811	22,931	3,515	896	49,153	20,757	69,910
1954	17,633	46,798	2,872	3,377	70,680	15,259	85,939
1955	25,252	17,543	3,256	2,218	48,269	18,334	66,603
1956	22,678	2,914	3,571	1,390	30,553	18,475	49,028
1957							
Jan.-Aug.	12,348	37,565	10,155	1,961	62,029	12,700	74,729

1/ Imports prohibited beginning February 15, 1952 due to outbreak of foot-and-mouth disease in Canada.

2/ Embargo removed March 1, 1953.

3/ Embargo removed September 1, 1952.

4/ Imports prohibited beginning May 23, 1953 following an outbreak of foot-and-mouth disease.

5/ Embargo removed January 1, 1955.

Compiled from official records of the Bureau of the Census.

Imports of Cattle Up in  
1957; May Remain at  
Higher Level in 1958

Before the war almost a half million cattle were imported each year from Mexico and several hundred thousand from Canada. In those from Mexico stockers and feeders predominated but Canadian imports were of both feeder and slaughter classes, plus a few breeding stock. Since the war, imports have been limited at various times by those countries' export regulations, by closing of borders due to foot-and-mouth disease, and, recently, by low prices in this country.

In 1957 imports have increased over 1956, when they were very small (table 10). Imports from Canada may exceed those of 1954, and imports from Mexico may approach the number of 1955.

Larger imports this year largely result from rising prices of cattle in this country and from the improvement of ranges in the Southwest. Many Mexican cattle were brought in to restock Southwestern ranges.

Table 11.--Sheep and lambs on farms and ranches January 1,  
 lamb crop, number slaughtered and wool production,  
 United States, 1950 to date

Year	Number on farms January 1			Lamb crop	Total slaughter: 1/	Shorn wool production
	Stock	On feed	Total			
	sheep					
	1,000	1,000	1,000	1,000	1,000	Mil.
	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>	<u>lb.</u>
1950	26,182	3,644	29,826	17,905	13,244	217
1951	27,251	3,382	30,633	17,978	11,416	228
1952	27,944	4,038	31,982	18,479	14,304	233
1953	27,593	4,307	31,900	19,497	16,321	232
1954	27,079	4,277	31,356	20,340	16,255	236
1955	27,137	4,445	31,582	20,187	16,553	234
1956	27,012	4,261	31,273	20,398	16,328	232
1957 2/	26,370	4,468	30,838	19,800	3/15,700	226

1/ Including farm.

2/ Preliminary.

3/ Partly forecast.



Sheep Production, Slaughter  
Still in Balance

While cattle numbers go down and hog numbers up, sheep numbers are staying about stable. The January 1, 1957 inventory was down a mere 1 percent from a year before. The 1957 lamb crop was estimated at 3 percent less than the 1956 crop. Sheep and lamb slaughter in 1957 may total about 4 percent less than 1956 (table 11). Accordingly, little change is expected in the inventory of January 1958.

The basic shift in sheep is away from range flocks and to farm flocks. These opposite trends have about counterbalanced each other. Sheep numbers in the East have increased while those in some parts of the West have changed little and in other parts have decreased.

There are signs that ewe lambs are being withheld for breeding. Sheep and lamb slaughter under Federal inspection averaged within 3 percent of a year before until August 1. From that date through October it averaged 12 percent below. Slaughter data by regions for the first 9 months indicate that the Southern Plains especially may be restocking. It is less likely that the Mountain West is doing so. January-September slaughter in the South Central region, which includes Texas and Oklahoma, decreased 14 percent from 1956 and was below its 1955 rate. Slaughter in the Mountain States has been almost as high this year as last and is much above 1955 (table 12).

Table 12.--Slaughter of sheep and lambs under Federal inspection  
by regions, January-September, 1955-57

Region	January-September slaughter			Percentage change, 1956 to 1957
	1955	1956	1957	
	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>Percent</u>
North Atlantic	1,965	1,865	1,722	-7.7
North Central				
East	1,036	1,024	1,069	+4.4
Northwest	3,098	2,836	2,805	-1.1
Southwest	922	854	728	-14.8
South Central	1,060	1,184	1,019	-13.9
Mountain	951	1,159	1,143	-1.4
Pacific	1,787	1,664	1,597	-4.0
United States <u>1/</u>	10,820	10,586	10,088	-4.7

1/ Includes small numbers in South Atlantic region.

It is too soon to know, however, whether a genuine increase in United States sheep production is now beginning. Reduced total slaughter through October may mean chiefly that marketings of lambs off grass, as of feeder cattle, are later this year.

Prices of sheep and lambs have averaged about \$1.00 per 100 pounds higher in 1957 than in 1956 and are the highest in about five years. (See lower chart, inside cover page.)

Until future trends in sheep numbers are more clearly indicated, the best forecast for 1958 is for a slaughter almost but not quite as large as in 1957. With prices of cattle likely to average higher but of hogs lower, sheep and lamb prices may not differ a great deal from those of 1957. However, a small increase seems more likely than any sizable decrease.

#### Profits in Feeding Lambs

##### May be No More Than Average

Prices of slaughter lambs may average a little higher this coming winter than last winter. If they do so, profits in feeding lambs will be about average. If prices fail to be higher, profits will be less than average.

Prices for feeder lambs in early November were \$2.50 per 100 pounds higher than a year before. The higher prices reflect aggressive demand for the limited supply available. Demand is strong because much low cost feed, including better wheat pastures than in several years, is available. The supply is reduced because fewer lambs were raised, because more ewe lambs are being held for breeding, and because many lambs sold off the range were in slaughter flesh.

The shortage of suitable feeder lambs will limit the volume of feeding this winter. Feedlot feeding will almost certainly be down. Wheat pasture feeding will be up. The combined total is not expected to exceed last year by much, and more probably will be less.

Little Change Likely in 1958  
Meat Output

Production of meat -- beef, veal, lamb, mutton, and pork -- in 1958 may be approximately equal to that of 1957. Reductions in slaughter of cattle and calves and possibly of sheep and lambs will tend to pull it down. An increased slaughter of hogs and heavy carcass weights for cattle will help to maintain it.

Beef production is forecast as 2 percent below 1957, and veal production 3 percent less. Lamb and mutton production may be very nearly equal to 1957. The increase in pork production could be around 4 to 5 percent (table 1).

Consumption of meat per person, which is determined largely by supply, may be somewhere between the same rate as in 1957 and a few pounds less. The forecast is for 158 pounds compared with the 159 pounds estimated for 1957.

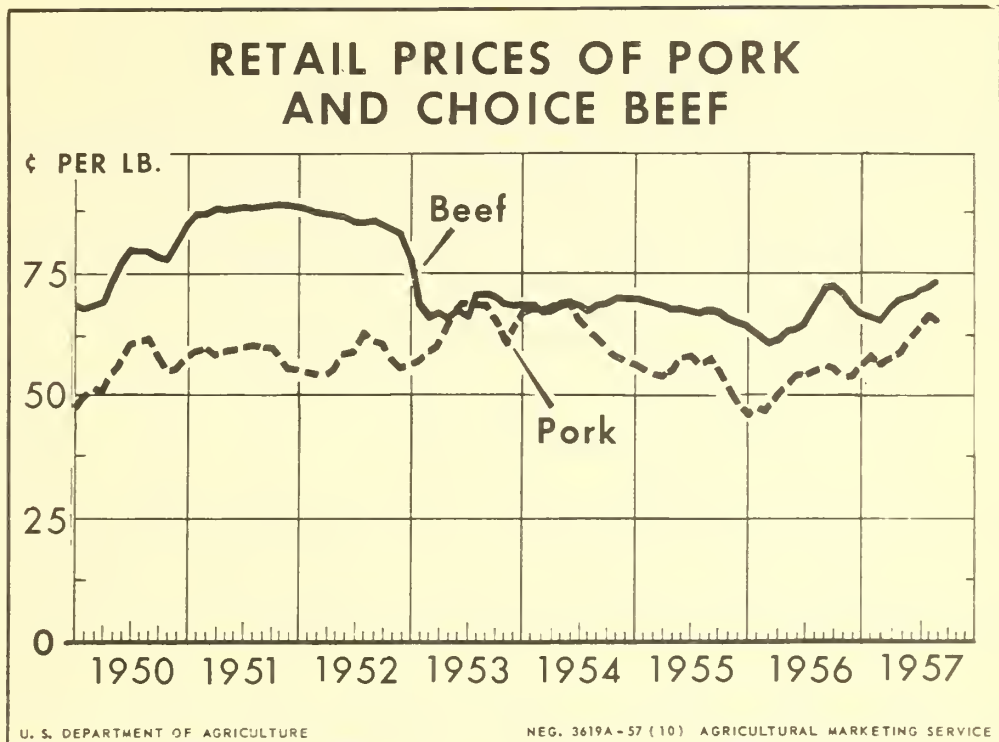
Large Supplies of Fed Beef  
Expected in Spring,  
of Pork in Fall

Any drop in supplies of meat in 1958 below 1957 is more likely during the late summer than at other seasons. In late winter and spring, a big supply of fed beef together with a little more pork will keep meat supplies close to a year before. Late in the year beef output will be down, chiefly because fewer cows will be slaughtered at the peak fall season. But pork production will then be considerably larger than it was at the same time in 1957.

For the year as a whole, fed beef will be a larger part of the total beef supply than in 1957, cow beef a smaller part.

Beef Prices to be  
as High or Higher,  
Pork Lower

In 1957 the retail price of both pork and Choice beef has been higher than in 1956 (table 13). Both remained below previous peaks, beef by a wide margin, pork by a narrower one. (See chart, page 25).



In view of prospects for smaller supplies and for demand as strong as in 1957, prices of Choice beef may average slightly higher in 1958 than in 1957. Prices of the other grades (Good and below) may be up equally as much or perhaps more.

Pork, on the other hand, will be cheaper. In the first half of 1958 the retail price of pork is expected to be about the same as at the same time in 1957. In the second half it will almost certainly be less than in 1957.

Retail prices of veal and of lamb and mutton probably will not change much. A small increase is more likely than a decrease.



Table 13.--Average retail price of pork and Choice beef, per pound, by months, 1954 to date

Pork, excluding lard <u>1</u> /													
Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
1954	67.7	68.1	68.1	68.9	69.2	68.3	65.8	63.8	62.8	59.9	58.2	57.4	64.8
1955	56.5	55.6	54.0	53.9	55.0	57.6	57.9	56.5	57.3	55.1	50.6	48.1	54.8
1956	46.7	47.9	47.5	49.6	51.0	54.8	54.6	55.1	55.9	55.2	53.1	53.7	52.1
1957	55.7	58.1	56.6	57.4	59.0	61.8	64.2	67.0	65.2				
Beef, Choice grade													
1954	69.0	68.2	67.3	67.3	68.3	68.8	68.3	67.5	68.6	68.9	70.0	69.9	68.5
1955	70.1	69.7	68.9	68.6	67.0	67.4	66.8	66.7	67.4	67.0	65.6	64.7	67.5
1956	63.5	62.0	60.8	61.4	62.6	63.7	64.9	68.2	72.4	72.9	71.0	68.6	66.0
1957	66.8	66.6	65.7	68.4	69.9	70.7	72.4	73.4	73.9				

1/ Revised.

Compiled from data of the Marketing Research Division, AMS.

Marketing Margins Higher  
in 1957

Margins between prices farmers receive for livestock and those consumers pay for meat at retail widened in 1957. Estimates of margins for Choice beef the first three quarters averaged 28.3 cents compared with 26.0 cents for all of 1956. Those for pork were 27.2 cents compared with 25.0 cents in 1956 (table 14).

There is no clear evidence as to whether margins have widened more than have cost rates for marketing services. Moreover, the size of marketing margins does not indicate whether profits of marketing firms are rising or falling. The most significant, and a discouraging, fact about recent increases in marketing margins is that they exceed the growth in consumers' expenditures for meat. This seriously handicaps expanding the production and consumption of meat, except at the expense of lower prices to producers.



Table 14.--Retail price of beef and pork, farm-retail spread and farm value, by quarters, 1954 to date

Period	Beef, per retail pound				Pork, per retail pound			
	Retail price	Farm-retail spread	Farm value 1/		Retail price	Farm-retail spread	Farm value 1/	
			Net	Including byproduct allowance			Net	Including byproduct allowance
Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	
1954								
Jan.-Mar.	68.2	25.5	42.7	46.7	68.0	22.5	45.5	53.8
Apr.-June	68.1	25.0	43.1	47.4	68.8	22.7	46.1	54.5
July-Sept.	68.1	24.6	43.5	47.5	64.1	24.6	39.5	46.3
Oct.-Dec.	69.6	22.3	47.3	51.1	58.5	25.5	33.0	38.8
Year	68.5	24.3	44.2	48.2	64.8	23.8	41.0	48.4
1955								
Jan.-Mar.	69.6	22.3	47.3	51.0	55.4	25.4	30.0	34.9
Apr.-June	67.7	25.4	42.3	45.9	55.5	22.5	33.0	38.2
July-Sept.	67.0	26.0	41.0	44.7	57.2	26.2	31.0	35.7
Oct.-Dec.	65.8	27.5	38.3	41.9	51.3	28.4	22.9	26.9
Year	67.5	25.3	42.2	45.9	54.8	25.6	29.2	33.9
1956								
Jan.-Mar.	62.1	27.4	34.7	38.0	47.4	25.6	21.8	25.5
Apr.-June	62.6	25.8	36.8	40.5	51.8	23.0	28.8	33.5
July-Sept.	68.5	23.0	45.5	49.5	55.2	25.4	29.8	34.5
Oct.-Dec.	70.8	27.6	43.2	46.9	54.0	26.0	28.0	33.0
Year	66.0	26.0	40.0	43.7	52.1	25.0	27.1	31.6
1957								
Jan.-Mar.	66.4	29.0	37.4	40.9	56.8	26.3	30.5	36.1
Apr.-June	69.7	28.2	41.5	45.5	59.4	26.2	33.2	38.9
July-Sept.	72.9	27.7	45.2	49.5	65.7	29.1	36.6	42.9

<sup>1/</sup> Payment to farmer for 2.16 pounds of Choice grade beef cattle and 2.13 pounds of live hog.

Compiled from data of the Marketing Research Division, AMS.

Meat Imports Increase  
in 1957

Imports of meat increased in 1957. They may total the equivalent of around 475 million pounds, carcass weight. The increase is in beef and veal, as pork imports are about the same as in 1956 (table 15). The 1957 imports of beef equal a little more than 2 percent of U. S. production, of pork  $1\frac{1}{2}$  percent.

Table 15.--Meat exports and shipments to Territories, and imports, carcass weight equivalent, 1950 to date 1/

Year	Commercial exports and shipments to Territories				Imports				
	Beef	Lamb	Pork ex-	All	Beef	Veal	Lamb	Pork ex-	All
	and	and	cluding	meats	<u>2/</u>		and	cluding	meats
	veal	mutton	lard				mutton	lard	
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>
1950	23	2	110	135	338	10	3	33	384
1951	20	1	136	157	472	12	7	51	542
1952	30	1	154	185	429	<u>3/</u>	6	71	506
1953	<u>4/</u> 60	2	134	196	271	<u>3/</u>	3	164	438
1954	<u>4/</u> 64	2	105	171	225	1	2	184	412
1955	68	1	126	195	222	<u>3/</u>	2	175	399
1956	181	2	138	321	204	<u>3/</u>	1	151	356
1957 <u>5/</u>	120	3	160	283	325	1	2	150	478

1/ Carcass weight equivalent of all meat including the meat content of minor meats and of mixed products. Data prior to 1952 are computed on slightly revised conversion factors.

2/ Includes estimated boneless beef prior to 1954.

3/ Less than 500,000 pounds.

4/ Includes shipments for CARE.

5/ Partly forecast.

Data prior to 1950 are published in the Livestock and Meat Situation, March 6, 1957, p. 33.

Foreign trade in livestock and meat fluctuates in response to changing prices. Increased imports in 1957 are largely accounted for by rising prices. From 1951 to 1956 when prices were declining, imports of beef were more than cut in half. Total meat imports fell a third, despite a growing acceptance of imported canned hams.

With beef prices likely to be slightly higher in 1958, imports of beef may be expected to be as large or a little larger than in 1957.

Exports of meat in 1957 may not quite equal the rather high total of 1956, when more meat was exported than in any year since 1947. About 1 percent of beef production and  $1\frac{1}{2}$  percent of pork are being shipped abroad in 1957.

Exports of Meat and Meat  
Products Under  
Public Law 480

Exports of meat under Public Law 480 began in 1955 and were larger in 1956 and 1957. They contributed to the expansion in total exports in 1955 and 1956, which were encouraged also by relatively low prices in those years. Substantial quantities of lard and tallow also have been exported under P. L. 480.

Public Law 480 provides for the disposal abroad of surplus agricultural commodities. Under various provisions of the Act, commodities may be sold for foreign currency, donated for emergency needs, or bartered for strategic materials. Sales for foreign currency (table 16) have been the outlet for meat. Since January 1955, when the program was authorized, agreements have been entered into with 14 countries for over 150 million pounds of meat (product weight) and nearly 390 million pounds of lard and tallow. By October 1, 1957, about 80 percent had been exported. Among the larger exports to October 1 were 51 million pounds of beef and 53 million pounds of tallow to Spain, 44 million pounds of tallow to Turkey and 143 million pounds of lard to Yugoslavia.

No meat, lard or tallow has been exported as donation or in barter.

Table 16.--Programming and actual exports of meat and meat products under Title I of Public Law 480, (sales for foreign currency), January 1955-September 1957 1/

Country of destination	Programmed exports, value all products	Exports							
		Beef		Pork		Lard		Tallow	
		Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value
		lb.	dol.	lb.	dol.	lb.	dol.	lb.	dol.
Austria	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Brazil	dol.								
Chile	4,397					23,054	2,400		
China (Taiwan)	6,840					16,383	2,220		
Equador	1,090								
Greece	1,000								
Israel	540								
Korea	10,100	24,792	6,197			22	3	10,233	723
Paraguay	8,000			9,631	4,815			2,489	249
Philippines	195					1,473	186	1,058	95
Poland	1,000								
Spain	2,800							30,210	2,417
Turkey	22,702	50,720	12,754	4,755	1,700			53,018	4,800
Yugoslavia	8,800	12,085	3,140					43,865	3,948
	21,700					142,707	18,217	21,488	1,719
Total	89,164	87,597	22,091	14,386	6,515	183,639	23,026	162,361	13,951

1/ No meat, lard or tallow has been exported under other Titles.

Compiled from data provided by Foreign Agricultural Service.



## USDA PRICE ASSISTANCE PROGRAMS FOR LIVESTOCK

Price support has not been given meat animals or products, with the exception of wool and mohair, since March 1950. Until that date the Steagall amendment and the Agricultural Act of 1948 required that wartime support be continued on hogs. However, no purchases of pork were made as prices generally stayed above the support level.

Instead, governmental price assistance programs for livestock have taken the form of diverting troublesome meat surpluses through additional outlets designed to expand consumption. The principal means has been the purchase of meats and lard under Section 32 (Section 32, Public Law 320, 74th Congress, 1935) for donation to school lunch programs, charitable institutions and welfare agencies. Smaller quantities of meat have been purchased for school lunches through the National School Lunch Act (Sec. 6, Public Law 396, 81st Congress, 1949). In addition, considerable quantities of meats and lard have been exported under Public Law 480 (Agricultural Trade Development and Assistance Act of 1954, 83rd Congress). (See page 29 above.)

No purchases were made under Section 32 in 1957. Recent volume purchases include 213 million pounds of beef in July-December 1953 and 197 million pounds of pork and lard late in 1955 and early in 1956. Since 1951, total purchases have been 516 million pounds of meat and lard under Section 32 and 21 million under Section 6, at a total cost of 232 million dollars (table 17).

On October 22, 1957, the USDA offered to buy 15 million pounds of frozen ground beef under Section 6. By October 31, 9 million were bought.

Purchases under Sections 32 and 6 are made on a competitive bid basis through regular trade channels and are limited to quantities that can be utilized by eligible outlets.

Meat and byproducts have also been shipped abroad under financing by the International Cooperation Administration.

Table 17.--Governmental price-assistance purchases of surplus meat and lard, 1951 to date 1/

Year beginning July 1	Beef		Pork		Lard		Total	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Mil. lb.	Mil. dol.	Mil. lb.	Mil. dol.	Mil. lb.	Mil. dol.	Mil. lb.	Mil. dol.
1951	0	0	31	15	0	0	31	15
1952	4	1	0	0	0	0	4	1
1953	213	84	0	0	0	0	213	84
1954	0	0	0	0	0	0	0	0
1955	12	4	158	95	39	6	219	105
1956	72	26	6	4	22	4	100	34
1957 <u>2/</u>	9	4	0	0	0	0	9	4

1/ Section 32 except Section 6 expenditures of \$3 million for 8 million pounds of pork in 1951, \$4 million for 12 million pounds of beef in 1955, and \$3.6 million for 9 million pounds of beef through October 31, 1957. Value includes cost of purchase and handling. 2/ May be incomplete.

#### Wool Incentive Program

Until 1955, prices of wool were supported by loans and purchase for storage. Under the National Wool Act of 1954 price supports were provided for wool and mohair by incentive payments. Authority extended through the marketing year which ends March 31, 1959. The program establishes payments to producers to bring the average price received by farmers up to an incentive level designed to encourage an annual production of 300 million pounds of shorn wool. Payments are also made on pulled wool, based on the live weight of unshorn lambs.

Incentive prices of 62 cents per pound for shorn wool and 70 cents for mohair have been announced for the 1958 marketing year, the same levels as during the first 3 years of the program. These 1958 incentive prices are 95 and 82 percent of the September 15, 1957 parity price for wool and mohair, respectively. It is a somewhat lower ratio than during the first three years as parity prices have risen.

Payments on wool in the first two seasons totaled 107 million dollars (table 18).

Table 18.--Incentive level, price received by farmers, and incentive payments for wool and mohair, 1955 to date

Market- ing year	Wool				Mohair			
	Incen- tive	Price received by farmers, per pound	Incentive payment Rate 1/	Total 2/	Incen- tive	Price received by farmers, per pound	Incentive payment Rate 1/	Total 2/
	level, per pound	per pound			level, per pound	per pound		
	Ct.	Ct.	Pct.	Mil. dol.	Ct.	Ct.	Pct.	Mil. dol.
1955-56	62	42.8	44.9	57.6	70	82.2	0	0
1956-57	62	44.3	40.0	49.7	70	84.4	0	0
1957-58	62				70			
1958-59	62				70			

1/ Percentage required to bring the average price received up to the incentive level.

2/ Includes payments on pulled wool.

LIST OF LIVESTOCK MARKETING PUBLICATIONS  
Partial list of those released in past year

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Prices of Hogs and Hog Products, 1905-56, USDA Stat. Bul. No. 205,  
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Lamb Marketing Costs and Margins, USDA Mkt. Res. Rept. No. 159,  
April 1957

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George E. Turner and Clayton F. Brasington, USDA Mkt. Res. Rept.  
No. 141, November 1956

The Current and Prospective Hog Situation, USDA, AMS and FES, (processed), October 1957

Long-run Demand for Farm Products -- R. F. Daly, Jour. of Agricultural Economics Research, Vol. VIII No. 3, July 1956

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Manufacturers' and Topmakers' Views on Some Wool Marketing Problems -- Walter L. Hodde, USDA, FCS, General Report 34, June 1957

Farm Output, Past Changes and Projected Needs, USDA, ARS, Agr. Info. Bul. No. 162, August 1956

Cattle Feeding in California: A Study of Feed-lot Finishing, Economics Dept. Bank of America, San Francisco, Feb. 1957.

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1/ Other volumes of interest are: Vol. 1 Agricultural Prices And Parity, Vol. 3 Gross And Net Farm Income, Vol. 5 Consumption and Utilization of Agricultural Products and Vol. 8 Crop and Livestock Estimates.

## Supply and distribution of meat, by months, 1957

Period	Commercially produced								Total 2/		
	Supply				Distribution				Civilian consumption		
	Production	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption		Production	Total	Per person
							Total	Per person 1/			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.
<b>Beef:</b>											
April	1,084	180	30	7	155	36	1,096	6.5	---	---	---
May	1,201	155	30	6	130	28	1,222	7.3	---	---	---
June	1,085	130	19	10	113	18	1,093	6.5	---	---	---
2nd quarter:	3,370	180	79	23	113	82	3,411	20.3			4/20.8
July	1,218	113	20	4	106	40	1,201	7.1	---	---	---
August	1,195	106	47	4	112	26	1,206	7.1	---	---	---
September	1,149	112			103	28			---	---	---
3rd quarter:	3,562	113			103	94					4/21
<b>Veal:</b>											
April	113	15	3/	3/	13	5	110	.7	---	---	---
May	117	13	3/	3/	11	4	115	.7	---	---	---
June	114	11	3/	3/	10	4	110	.7	---	---	---
2nd quarter:	344	15	3/	3/	10	13	335	2.0			4/2.1
July	132	10	3/	3/	10	6	126	.7	---	---	---
August	137	10	3/	3/	9	4	134	.8	---	---	---
September	130	9			9	4			---	---	---
3rd quarter:	399	10			9	14					4/2.4
<b>Lamb and mutton:</b>											
April	57	8	3/	3/	7	1	57	.3	---	---	---
May	60	7	1	1	7	3/	60	.4	---	---	---
June	53	7	3/	3/	7	3/	53	.3	---	---	---
2nd quarter:	170	8	1	1	7	1	170	1.0			4/1.0
July	60	7	3/	1	6	3/	60	.3	---	---	---
August	56	6	3/	3/	5	3/	57	.3	---	---	---
September	56	5			6	1			---	---	---
3rd quarter:	172	7			6	1					4/1.0
<b>Pork:</b>											
April	786	353	14	10	343	18	782	4.7	---	---	---
May	785	343	12	12	324	15	789	4.7	---	---	---
June	663	324	12	19	279	14	687	4.1	---	---	---
2nd quarter:	2,234	353	38	41	279	47	2,258	13.4			4/14.6
July	687	279	12	10	204	26	738	4.4	---	---	---
August	694	204	8	10	147	15	734	4.3	---	---	---
September	760	147			134	17			---	---	---
3rd quarter:	2,141	279			134	58					4/14
<b>All meat:</b>											
April	2,040	556	44	17	518	60	2,045	12.2	---	---	---
May	2,163	518	43	19	472	47	2,186	13.0	---	---	---
June	1,915	472	31	30	409	36	1,943	11.5	---	---	---
2nd quarter:	6,118	556	118	66	409	143	6,174	36.7			4/38.5
July	2,097	409	32	15	326	72	2,125	12.6	---	---	---
August	2,082	326	55	14	273	45	2,131	12.6	---	---	---
September	2,095	273			252	50			---	---	---
3rd quarter:	6,274	409			252	167					4/38.5

1/ Derived from estimates by months of population eating out of civilian food supplies, unadjusted for underenumeration.  
 2/ Includes production and consumption from farm slaughter. 3/ Less than 500,000 pounds. 4/ Partly estimated.

## Selected price statistics for meat animals and meat

Item	Unit	1956		1957	
		September	October	August	September
					October
Cattle and calves					
Beef steers, slaughter	Dollars per				
Chicago, Prime	100 pounds	30.95	30.26	27.72	27.12
Choice	do.	27.27	26.08	25.63	24.98
Good	do.	23.49	21.82	23.43	22.86
Standard	do.	19.02	17.49	20.85	20.02
Commercial	do.	20.82	19.01	---	---
Utility	do.	15.87	14.46	17.78	17.28
All grades	do.	27.31	26.00	25.45	24.84
Omaha, all grades	do.	24.61	23.42	24.20	23.16
Sioux City, all grades	do.	25.57	24.30	24.33	23.45
Cows, Chicago					
Commercial	do.	12.94	12.79	15.51	15.26
Utility	do.	11.16	10.96	13.91	13.66
Canner and Cutter	do.	9.47	9.30	12.02	11.89
Vealers, Choice, Chicago	do.	21.50	22.70	24.52	24.95
Stocker and feeder steers, Kansas City 1/	do.	17.22	17.31	20.33	20.11
Price received by farmers					
Beef cattle	do.	16.10	15.10	18.20	17.70
Calves	do.	15.90	15.20	19.10	18.90
Hogs					
Barrows and gilts					
Chicago					
160-180 pounds	do.	15.34	14.75	18.68	17.18
180-200 pounds	do.	16.20	15.71	20.68	19.07
200-220 pounds	do.	16.42	15.88	21.42	19.61
220-240 pounds	do.	16.48	15.90	21.55	19.76
240-270 pounds	do.	16.44	15.76	21.50	19.80
270-300 pounds	do.	16.29	15.61	21.14	---
All weights	do.	16.30	15.74	21.31	19.34
8 markets 2/	do.	16.29	15.12	21.27	19.34
Sows, Chicago	do.	15.34	14.76	19.29	18.62
Price received by farmers	do.	15.70	15.50	20.00	19.10
Hog-corn price ratio 3/					
Chicago, barrows and gilts		10.5	12.1	16.2	15.3
Price received by farmers, all hogs		11.0	13.0	16.3	16.6
Sheep and lambs	Dollars per				
Sheep	100 pounds				
Slaughter, ewes, Good and Choice, Chicago	do.	5.00	5.00	6.94	6.88
Price received by farmers	do.	5.32	5.25	6.60	6.77
Lambs					
Slaughter, Choice and Prime, Chicago	do.	22.28	21.44	24.53	24.95
Feeder, Good and Choice, Omaha	do.	19.00	18.71	21.14	21.88
Price received by farmers	do.	18.60	17.90	20.30	20.20
All meat animals					
Index number price received by farmers					
(1910-14=100)		254	243	301	291
Meat					
Wholesale, Chicago	Dollars per				
Steer beef carcass, Choice, 500-600 pounds	100 pounds	46.81	43.85	42.44	41.25
Lamb carcass, Choice, 45-55 pounds	do.	45.61	41.94	46.81	48.43
Composite hog products:					
Including lard					
71.90 pounds fresh	Dollars	18.78	17.61	22.83	21.07
Average per 100 pounds	do.	26.12	24.49	31.95	29.30
71.01 pounds fresh and cured	do.	22.40	21.50	27.15	25.84
Average per 100 pounds	do.	31.54	30.28	38.23	36.39
Excluding lard					
55.99 pounds fresh and cured	do.	19.94	18.96	24.69	23.21
Average per 100 pounds	do.	35.61	33.86	44.10	41.45
Retail, United States average	Cents				
Beef, Choice grade	per pound	72.4	72.9	73.4	73.9
Pork, excluding lard 5/	do.	55.9	55.2	67.0	65.2
Index number meat prices (BLS)					
Wholesale (1947-49=100)		88.4	84.6	97.9	95.5
Retail (1947-49=100) 6/		103.8	103.5	116.3	115.2

1/ Average all weights and grades.

2/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.

3/ Number bushels of corn equivalent in value to 100 pounds of live hogs.

4/ Average for two weeks.

5/ Revised.

6/ Includes beef and veal, pork, leg of lamb and other meats.

## Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1956		1957	
		September	October	August	September : October
Meat animal marketings					
Index number (1947-49=100) .....		130	170	122	127
Stocker and feeder shipments to					
9 Corn Belt States	1,000				
Cattle and calves .....	head	734	1,081	475	679
Sheep and lambs .....	do.	679	802	341	502
Slaughter under Federal inspection					
Number slaughtered					
Cattle .....	do.	1,617	1,959	1,726	1,627
Steers .....	do.	742	831	872	807
Heifers .....	do.	244	257	257	262
Cows .....	do.	592	829	556	522
Bulls and stags .....	do.	39	43	41	36
Calves .....	do.	661	872	615	638
Sheep and lambs .....	do.	1,167	1,439	1,111	1,104
Hogs .....	do.	4,979	6,347	4,418	5,060
Percentage sows .....	Percent	9	6	16	8
Average live weight per head					
Cattle .....	Pounds	962	970	969	980
Calves .....	do.	238	233	245	223
Sheep and lambs .....	do.	92	94	94	94
Hogs .....	do.	225	227	229	221
Average production					
Beef, per head .....	do.	524	521	538	544
Veal, per head .....	do.	132	128	139	125
Lamb and mutton, per head .....	do.	44	44	45	45
Pork, per head .....	do.	128	129	131	127
Pork, per 100 pounds live weight .....	do.	57	57	57	57
Lard, per head .....	do.	31	32	31	30
Lard, per 100 pounds live weight .....	do.	14	14	14	14
Total production	Million				
Beef .....	pounds	844	1,017	925	881
Veal .....	do.	87	112	85	79
Lamb and mutton .....	do.	51	64	50	50
Pork .....	do.	638	817	579	640
Lard .....	do.	154	200	138	152
Commercial slaughter 1/					
Number slaughtered	1,000				
Cattle .....	head	2,202	2,604	2,317	2,206
Calves .....	do.	1,099	1,349	1,006	1,040
Sheep and lambs .....	do.	1,313	1,617	1,259	1,243
Hogs .....	do.	5,967	7,507	5,309	5,996
Total production	Million				
Beef .....	pounds	1,105	1,304	1,195	1,149
Veal .....	do.	141	169	137	130
Lamb and mutton .....	do.	57	71	56	56
Pork .....	do.	767	967	694	760
Lard .....	do.	177	228	159	173
Cold storage stocks first of month					
Beef .....	do.	120	117	106	112
Veal .....	do.	12	11	10	9
Lamb and mutton .....	do.	9	10	6	5
Pork .....	do.	204	166	204	147
Total meat and meat products 2/ .....	do.	403	353	395	330

1/ Federally inspected, and other wholesale and retail.

2/ Includes stocks of canned meats in cooler in addition to the four meats listed.



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